

A

TAB

Recommendations 2

1. Recommendations

OCI's current intelligence-producing functions should be limited to:

"(a) Production of a daily and a weekly publication tailored specifically to meet the needs of the President and the NSC and limited in distribution to permit inclusion of items of any degree of sensitivity;

"(b) Preparation of briefings for the NSC and the White House Staff;

"(c) Preparation and coordination of essential briefings for Agency personnel and personnel outside the Agency as appropriate. Requests for such briefings should be screened by the DD/I and every effort made to have the request fulfilled by the IAC Agency having major responsibility for the subject matter;

"(d) Providing other components of the Agency with such direct current intelligence support as they may require by direct response to specific requests which are not in the areas of responsibility of ORR and OSI;

"(e) Undertaking such other projects or publications as have been approved by the Director. However, research projects in the areas of responsibility of another Agency or a publication which duplicates a publication of another Agency (except in response to a stated need of the President or the NSC) should not be undertaken until they have first been reviewed by the IAC;

"(f) Screening all information and intelligence received by it for immediate extracting and forwarding to the Indications Center those items which may contain indications of Soviet/Communist intentions and arranging for the necessary screening, extracting, evaluation, and analysis by ORR and OSI of those indications in the portions of economic and scientific intelligence assigned to the Agency under DCID 15/1 and DCID 3/4; and

"(g) The reporting of current intelligence as defined in NSCID No. 3, namely: '...that spot information or intelligence of all types and forms of immediate interest and value to operating and policy staffs which is used by them usually without the delays incident to complete the evaluation and interpretation.' OCI should not prepare estimative-type material of any nature."

~~"The DD/S should direct the Management Staff to re-survey OCI for the purpose of reducing its personnel ceiling and revising its Table of Organization to conform to the recommended curtailment of its activities."~~

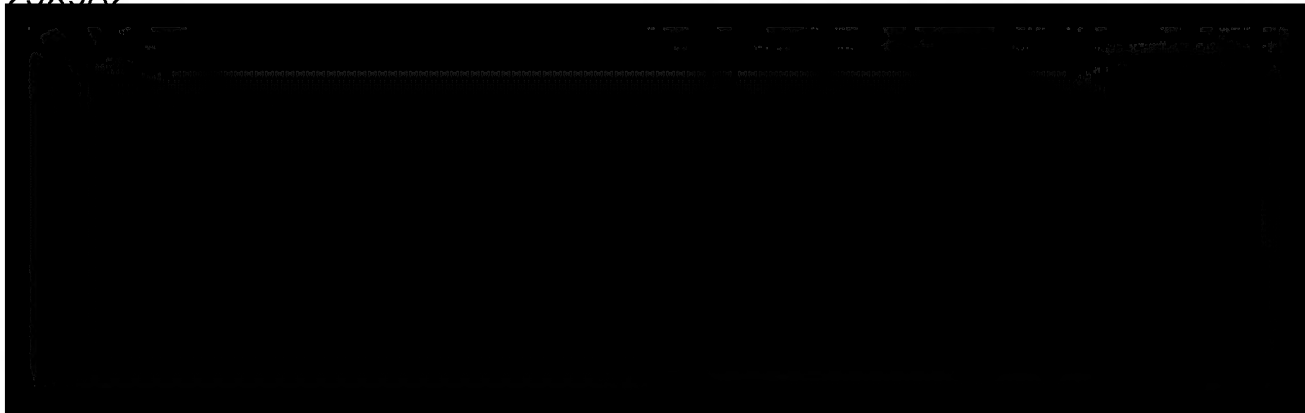
2. DD/I Comment

"It is difficult to deal with these recommendations because it is not so much the proposed functions for OCI that are objectionable as the inferential abandonment of functions implied and in recommendation 3 the inference that the size of OCI could be drastically cut.

"OCI as at present constituted may be broken down functionally as follows:

	<u>Prof.</u>	<u>Clerical</u>	<u>Total</u>
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25X9A2



- * 112 on duty, 12 vacancies
- ** Official ceiling strength

25X9A2

The [redacted] Secretariat personnel would be eliminated from OCI if recommendations 5-7 and 22-25 were adopted. The inadvisability of doing so is considered elsewhere in this response. Moreover these positions not be saved but would merely be transferred to another part of the Agency.

The NIC slots and those attached to ORR (to assist that of fice in producing current items from its study of the Soviet Bloc economy) are apparently found necessary and are believed indispensable by me.

That leaves the substantive all-source current intelligence producing component of the of fice, the core and bulk of which consist of its area analysts. The present breakdown of those (shown graphically on the attached map) may be tabulated as follows:

25X9A2



As you are well aware, the support you require in preparing briefings for the Council and the preparation of even the limited type publications proposed by the IG could not be satisfactorily handled with fewer analysts. For the amount of material classified and other wise that must be scanned and studies, our analysts are, if anything, spread too thin. For example, within the past year I have directed AD/CI to employ an additional analyst to concentrate exclusively on [redacted] rather than have these areas treated as a sideshow by our [redacted] expert."

25X9A2

"If the need for an analytical force of approximately this size is granted, it seems to me to follow that each of these individuals should be as widely useful to the intelligence community and the National Security Council Departments as possible. This would not be the case if the analyst remained inactive and/or sat monk-like on the results of their studies except when they turned up an item of sufficient significance to be read by or orally presented to the NSC. I have, therefore, approved and believe you should also endorse the current practice whereby the results of their research are published currently and succinctly in the OCI Digest and Weekly for the benefit of the working levels of CIA and interested agencies. The incremental cost of producing this continual useful product as compared with merely maintaining the analyst in the stand-by status has been computed at a mere \$18,000 a year. See also comments on recommendations 9-12.

Now to turn to the specific subparagraphs of recommendation 2:

(a) The Daily Bulletin and the Weekly are more fully discussed under headings 8 and 11. Suffice it to say here that they are believed tailored for high level consumers and are rigorously kept down in size and number of items handled to that end.

(b) No comment

(c) Concur but note that many important requesters of briefings such as Mr. Robert Sprague and General Doolittle in recent months want an independent check on the material they may receive from the IAC agencies of primary concern. To refuse to satisfy such requests would place the Agency in a very embarrassing position.

(d) Concur but note that this is done most efficiently and regularly through the medium of the Current Intelligence Digest and Weekly.

(e) Either the Director or I have invariably approved any additional research project undertaken by OCI. Every effort is made to see that the office does not get involved in research that could more appropriately be performed by another agency, e.g., the Director's recent request for a summary of Soviet over-flights of free world territory was subcontracted to the Air Force, and many projects dealing with current economic or political trends in the free world have been turned over informally to the Department of State.

(f) Concur

(g) Concur with this comment: It is all very well to prohibit OCI from engaging in estimating, and the management of OCI makes every effort to avoid slipping over into this field; however, it is essential that spot items be read particularly by high level consumers in the proper context and this requires the furnishing by OCI of appropriate comment which to some purists may of necessity contain an element of forecast. It seems to me that this is unavoidable because situations of intelligence interest are rarely static and therefore a proper description inherently involves past, present and likely future developments. I have personally made a major effort to improve coordination between ONE and OCI and am pleased to report that ONE now regards OCI's

efforts in this field, as not only legitimate but more important carefully coordinated and consistent with the work and views of the Board of Estimates. See attached copy of memorandum from Dr. Kent.

~~Recommendation 3:~~

~~There is no objection to having the Management Staff survey OCI at any time. A revised T/O is currently before DD/S and any examination he or his staff may make in order to point out ways in which the functions of OCI can be conducted with fewer people or less money would be welcome. But I cannot accept without protest a direction to DD/S to survey OCI and cut its T/O to fit the misconceived mission and function that are envisaged in paragraph 2 and elsewhere in the IC report.~~

3. Inspector General's Refutation

a. The DD/I addresses his comments first and primarily at the size of OCI and only secondarily at the nature of its intelligence producing activities. This error stems from erroneous concepts that the size of OCI's production force is governed primarily by the volume of incoming material and that its substantive issuances are very largely, if not exclusively, automatic by-products of the analytical process. ^{For example} ~~Specifically~~, he refers to the Digest and Weekly as being the results of the analysts' studies and research, produced at a nominal incremental cost for printing and reproduction. The DD/I fails to recognize the elementary facts that the proper preparation of a current intelligence issuance requires man-hours of an analyst and others greatly in excess of the time needed for analysis and study and that such issuances are not an automatic by-product of the analysts research and studies.

The weakness of the DD/I's concepts are indicated by the following:

(1) In FY-1955, OCI received only 3.5 per cent more items of information than in FY-1952, but produced 62 per cent more pages of written intelligence material. Under the DD/I's thesis, the increase in output would have been primarily an automatic and costless by-product, reflecting increased productivity of each analyst. However, production per analyst increased only about 15 per cent and the bulk of the increased output was due to an increase of about 34 per cent in the number of analysts.

(2) OCI's statements of its major accomplishments in intelligence production for fiscal years 1952--1955, as set forth in Agency budget estimates, emphasize the steadily increasing quantity of intelligence produced and disseminated as justification for ~~the increasing~~ ^{the} size of

the "production" force, although during these years the volume of incoming material fluctuated from -10% to +3.5%.

(3) The Inspector General's survey team received numerous complaints from senior and junior substantive personnel in OCI that, because of the great emphasis on volume of output, "analysts had little time to think out substantive matters;...individual items do not receive adequate attention...the continued piling up of new responsibilities results in a decreasing margin of safety in checking substantive points, etc....with the constant flow of requests of one sort or another the work-load has snowballed." ~~Analysts and their supervisors stated that items for the Digest were hastily prepared and did not represent quality work and that the time required for preparing items for the Digest competed with the limited time available to meet deadlines for the more important Bulletin and Weekly.~~ A senior member of the Office characterized OCI as "a ship without ballast with all sails always set."

(4) OCI was established primarily for reporting important "spot" information to the Director, the President and the NSC and was not designed to conduct intelligence research as was the case with ORR and OSI. Consequently, OCI ~~is~~ does not have a comprehensive research program which automatically results in studies which would be lost to "the national interest" in the absence of OCI's multiplicity of publications. However, to ^{some} ~~a limited~~ extent OCI has undertaken research activities which are reflected in the size of the Office, and in other cases has assumed responsibility (either voluntarily or by request) for projects which should require research. With respect to the latter, some division and section chiefs stated that there was no time for research because of the emphasis on quantity of production. For example, one section chief reported that the

political section of a particular Handbook had been written "at the top of their heads," and a division chief stated that whenever possible material for the Handbook "was lifted directly out of the NIS."

Denial { (5) ~~Whereas~~ The DD/I emphasizes "the amount of material classified and otherwise that must be scanned and studied," and "the real significance of all intelligence information collected"...which would be lost to "the national interest" if not disseminated by OCI's publications, ~~However, the~~ ~~The~~ AD/CI informed the Inspector General's survey team that one of OCI's two major problems was the poor quality of incoming material.

b. Two points raised by the DD/I in defense of the present size of OCI are misleading.

25X1A

Denial { (1) The DD/I discusses only the [REDACTED] "substantive area analysts." However, the Inspector General's conclusion was that curtailment of OCI's intelligence producing activities to those recommended by the Inspector General should permit the reduction of at least 50 per cent in the 249 positions allocated in OCI's FY-1955 budget to the function of producing all-source current intelligence. These positions included, in addition to the [REDACTED] "substantive area analysts" shown in the DD/I table, [REDACTED] clerical personnel for the analysts, [REDACTED] positions shown under "supervision and senior intelligence officer." In addition, the Inspector General's conclusion took into account consolidation of units ^{and} elimination of unnecessary echelons of command ~~and correction of a top heavy structure of command grade supervisors.~~

(2) The DD/I presents a statistical table showing an average of [REDACTED] per country outside of the Soviet Union. This data cannot be accepted at face value because there is great variation in the work-load of individual analysts depending upon their geographic

area. For example, a branch chief stated that "since my area is of low priority.....there is little material of hot current interest."

c. There is no validity to the DD/I's conclusion that "as you are well aware, the support you require in preparing briefings for the Council and the preparation of the limited type publication proposed by the IG could not be satisfactorily handled by fewer analysts." The nature and volume of OCI's producing activities are at least equal in significance to the volume of incoming material in determining the size of its "production" force. In the light of this basic factor, careful review of the findings and recommendations of the IG on OCI's production activities in general and on its major publications will demonstrate that these activities and the number of analysts can and should be reduced. Also, during FY-1952, prior to the great emphasis on the volume of production, OCI had about 34 per cent fewer analysts who handled only about 3.5 per cent less incoming material than in FY-1955 and at the same time produced a type and volume of substantive issuances adequate to the needs of the President and the NSC. To a limited extent there may have been gaps in the coverage of incoming material, but on the other hand there was a considerable duplication of coverage between the Indications Staff and the area divisions of OCI.

d. Inasmuch as the DD/I started with erroneous concepts of the size and capabilities of OCI's analytical force, it is understandable that his enthusiasm would cause him to overlook the Agency's obligations and responsibilities under the National Security Act and the NSCID's and the limitations which these directives impose upon OCI's intelligence producing activities. ~~It appears that the DD/I is relying upon the "hunting license" granted each of the IAG Agencies by the provisions of NSCID No. 3 that they may produce current and staff intelligence to meet internal requirements or external responsibilities.~~

~~However, these grants of authority must be interpreted in the light of the intent of the National Security Act and other provisions of NSCIB No. 3, particularly, the provision that "as a part of the coordination program, the Director of Central Intelligence should seek the assistance of the SAC Agencies in minimizing the necessity of any agency to develop intelligence in fields outside its dominant interest."~~ The DD/I forgets that the Director has an obligation to exercise leadership in implementing the intent of the National Security Act and the NSCIB's or recommend to the NSC that the Agency be authorized to revert to the philosophy of ORE. It is not surprising, therefore, that the DD/I's comments fail to present factual evidence to refute the following major findings of the Inspector General which form the basis of the curtailed functions recommended for OCI.

(1) "Under its broad function of producing all-source current intelligence, OCI is producing a wide variety of briefings and publications, which involve varying degrees of research and production in areas for which other offices have been assigned primary responsibility or dominant interest...the coverage of most of its publications duplicates, at least in part, the coverage of publications of other agencies...OCI's size and scope of activities are out of proportion to the Agency's and the Director's responsibilities, obligations and needs."

(2) "In effect OCI has become a miniature reincarnation of ORE and certain of the observations and conclusions of the Dulles-Jackson-Correa Report are almost as applicable today to OCI as they were to ORE in 1949, namely:

(a) "To a large extent, in the area of OCI's current intelligence producing activities, CIA has tended to become just

one more intelligence agency producing intelligence in competition with older established agencies of the government departments.'

(b) "CIA 'must make maximum use of resources of existing agencies; it must not duplicate their work but help to put an end to existing duplication by seeing to it that the best qualified agency in each phase of the intelligence field should assume and carry out its particular responsibility.'

(c) "The Dulles-Jackson-Correa Report criticized the then Daily and WEekly Summaries. The criticism of the Daily was that: approximately 90 per cent of its contents were derived from State Department sources; the occasional comments by CIA added little weight to the material itself; the publication was fragmentary without necessarily being based on the most significant operational or intelligence materials; there was an inherent danger that it would be misleading to its consumers. Both the Daily and the Weekly were criticized as being 'to a certain extent duplicative in that the State Department, to which political intelligence has been assigned as an area of dominant interest, also disseminates its own operational and intelligence summaries on the highest levels.' It was pointed out that the Weekly competed for attention with several departmental weeklies. While some improvement has been effected in these publications principally in that they are now all-source publications and the State Department is the source of only about 50 per cent of the content, the essential elements of these criticisms remain valid today."

(3) "In the light of the National Security Act and the conclusions of the Dulles-Jackson-Correa Report, it is clear that OCI's current intelligence activities should conform to the following principles:

(a) "As the intelligence facility of the NSC, the Agency should provide such current intelligence support as the President and the NSC or its Executive Secretary may expressly desire or request. This support should be tailored specifically for the stated needs of the President and the NSC, and should not be broadened merely to make the end product useful to other intelligence agencies.

NOTE: - Contrary to the DD/I's comment, the IG found that the Daily Bulletin and the Weekly are not tailored specifically for the needs of the President and the NSC and are not "rigorously kept down in size and number of items handled to that end." The supporting evidence is set forth in the discussion of recommendations 8 and 11 (pages 29 and 40, below).

(b) "In providing current intelligence support for the President and the NSC, every effort should be made to obtain the views and participation of the other IAC agencies. Although it is recognized that formal coordination

of opinion is neither required nor always feasible in the field of current intelligence, there is serious danger that in the fields of dominant interest of the Services and the Department of State, CIA does not have the necessary research, depth of analysis, background and perspective to evaluate current intelligence as adequately as those agencies."

NOTE: Because of this finding the IG doubts that OCI is qualified to provide the accurate "independent check" which DD/I states "many important requestors of briefings want...on the material they may receive from the IAC agencies of primary concern." During the survey the same doubt was expressed by a former senior member of OCI and also by a division chief who stated that in his broad field OCI was not "running checks as such on the reliability" of the conclusions of other Agencies. In view of the intent of the National Security Act and the NSCID's it would be preferable for OCI to arrange community-wide briefings with participation by appropriate Agencies and presentation of ~~their~~ substantive disagreement and the reasons for the disagreement.

(c) "CIA has no responsibility to produce current intelligence for the other agencies and departments (other than the NSC and the President) no matter how useful it may be to them, except in those areas for which CIA has primary production responsibility, i.e., portions of economic and scientific intelligence as defined in DCID 15/1 and DCID 3/4."

(d) "OCI should provide other components of the Agency with such direct current intelligence support as they may require and which is not in the areas of responsibility of ORR and OSI. This support should be provided by direct response to specific requests and not by inclusion in general-purpose publications."

NOTE: In response to the DD/I's comment that support of other offices "is done most efficiently and regularly through the medium of the Current Intelligence Digest and Weekly," it is desired to point out that:

(i) Representatives of the DD/P components informed the IG Survey team that they had difficulty in getting OCI to respond to their specific requests and that OCI's general purpose publications were not fully responsive to their needs.

(ii) The survey team gave careful consideration to the Digest and Weekly as two of the means by which OCI is fulfilling its responsibility to provide support to other offices but concluded that OCI could provide better support by responding to specific requests. For this and other reasons, the IG concluded that the Digest should be discontinued and that the Weekly Review and Summary should be reduced in length and limited to coverage of anticipated critical situations which may require action by the NSC and major trends. (See the discussion under recommendations 9 and 11, pages 34 and 40 below.)

(e) "OCI should not undertake a research project in the area of responsibility of another agency or a publication which duplicates a publication

NSC) unless the proposed project or publication has been reviewed by the IAC and approved by the Director."

NOTE: The DD/I comments that "either the Director or I have invariably approved any additional research project~~s~~ undertaken by OCI [and] every effort is made to see that the Office does not get involved in research that could more appropriately be performed by another agency..."

In reply it is desired to point out that:

(i) A memorandum from OCI's Executive Officer to the AD/CI on 22 December 1954, prepared in connection with a request of the Clark Committee for additional information on OCI's publications, contains the statement that "authorization for special publications is difficult to identify, particularly in the case of the Handbook which is essentially a research document and alien to the normal OCI concepts, and the ^{25X1A2g} publica-
tion which is even more so."

(ii) The IG survey~~team~~ received numerous complaints from division chiefs and analysts that there is insufficient justification or need for many crash requests involving research and that there is inadequate understanding of the ~~z~~ amount of work involved in fulfilling these requests. A senior member of the office complained that OCI would ^{say} never/"no" to an "outside" request.

(iii) In ^{25X1A2g} and the OCI Handbooks, OCI is engaging in research in the areas of responsibility of other agencies (see the discussion of recommendations 12

and 13 on page 41 below), and the DD/I's forwarding memorandum states that he opposes IAC review of these ^{projects} "for the elementary reason that we do not recognize that the IAC has any mandate to determine our internal projects". The DD/I is relying upon the "hunting license" granted each IAC agency by the provisions of NSCID No. 3 that they may produce current and staff intelligence to meet internal requirements. However, these grants of authority must be interpreted in the light of the intent of the National Security Act and other provisions of NSCID's, particularly the provision that "as a part of a coordination program the Director of Central Intelligence should seek the assistance of the IAC agencies in minimizing the necessity for any agency to develop intelligence in fields outside its dominant interest." The DD/I forgets that the Director has an obligation to exercise leadership in implementing the intent of the National Security Act and the NSCID's or to recommend to the NSC that the Agency be authorized to revert to the philosophy of ORE. In the absence of such authorization, the Agency has a continuing obligation to resist temptations to engage in research projects in areas of dominant interest of other agencies until formal efforts have been made by the Director, through the IAC, to have other agencies accept responsibility for appropriate portions of such projects. Where the existing resources of other agencies are not adequate for essential projects, it would be preferable for the Director to recommend to the NSC that their resources be increased instead of building up CIA's resources.

e. The DD/I's comment on the recommendation that "OCI should not prepare estimative type material of any nature" indicates a progressive change in attitude from that expressed in his memorandum of 31 July 1953 which was attached as Tab B to the IG's survey. The Inspector General accepts the memorandum ~~to~~ the AD/NE attached to the DD/I's comments as evidence that there has been a definite improvement in OCI's past practice of contradicting current NIE's. However, it is desired to reiterate the finding that estimative statements by OCI are "dangerous because they are not based upon complete analysis of all available information."

Recommendations 5, 6, 7, 22, 23, and 24

1. Recommendations

"The AD/CI and the AD/SI should be relieved of their respective responsibilities as CIA COMINT and CIA ELINT Staff Officers, and their responsibilities should be assigned to a senior member of the Director's Staff to be designated as Special Assistant to the Director for COMINT and ELINT." (5)

"Responsibility for COMINT security should be transferred from the AD/CI to the Director of Security." (6)

"The functions now being performed by the AD/CI in the area of coordination of COMINT requirements, dissemination of COMINT material and liaison with other government departments and agencies be assigned to the AD/CD." (7)

~~"The Director of Security should conduct a careful and realistic appraisal of Agency COMINT Security Regulations to eliminate existing unrealistic and unreasonable requirements and to permit substantive personnel in other Agency components to have easier access to OCI counterparts in Special Centers." (22)~~

~~"The Director of Security should immediately establish clear standards for classification of administrative material relating to COMINT. In addition, NSCID No. 9 should be released for inclusion in the Agency compendium of Intelligence Directives." (23)~~

~~"The Director of Security should prepare and follow up clear, precise, and practical instructions on the physical handling and control of COMINT material in Special Centers." (24)~~

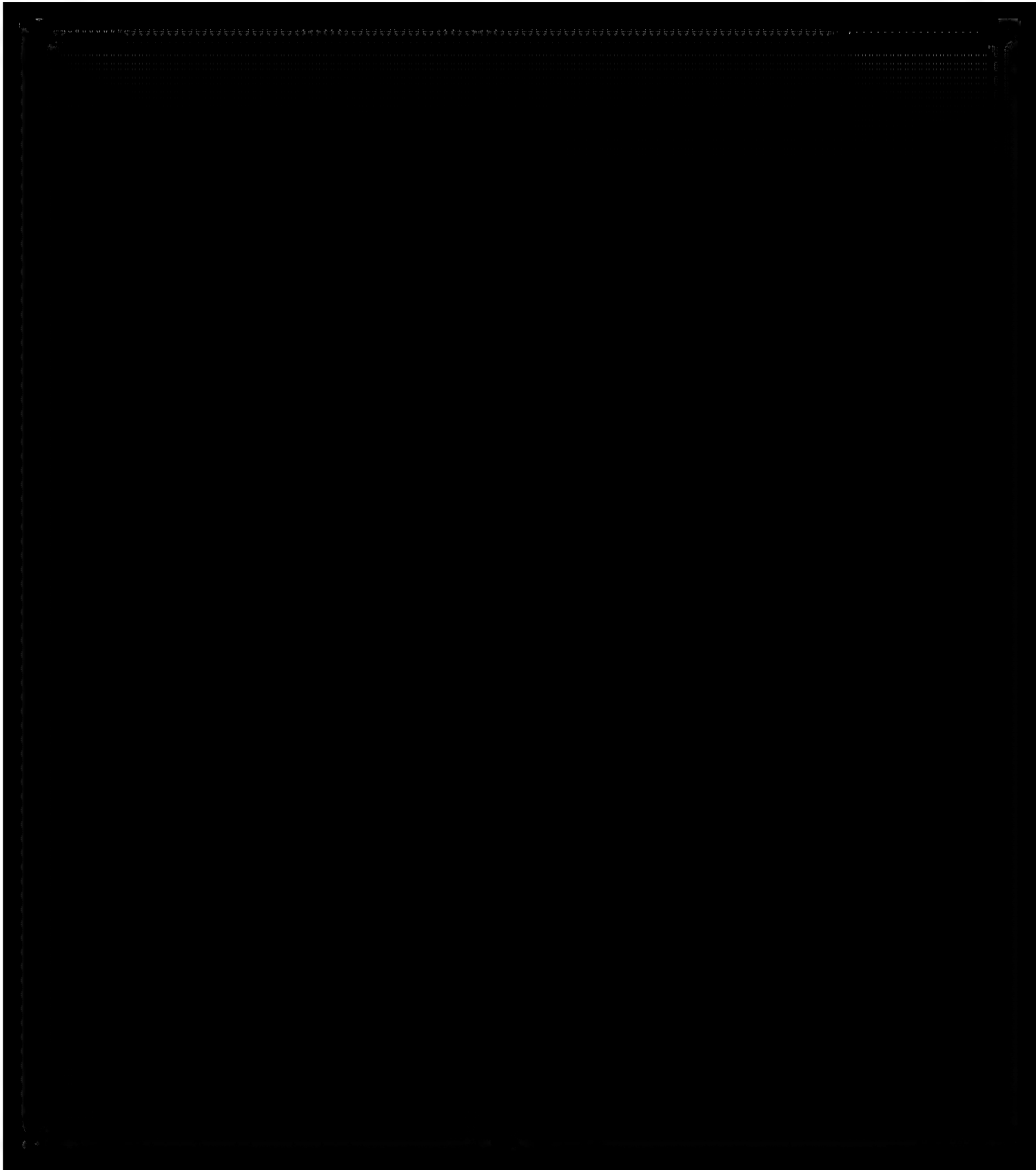
2. DD/I Comment

~~"The IG recommends that the AD/CI be relieved of his responsibility as COMINT Staff Officer and that this responsibility (together with that of the ELINT Staff Officer) be assigned to a senior member of the Director's staff as Special Assistant to the DCI for COMINT (and ELINT).~~

"a. The IG argues that the dual functions of the AD/CI (COMINT Staff Officer and the production of current intelligence) are separable and should be separated because each is a full-time job.

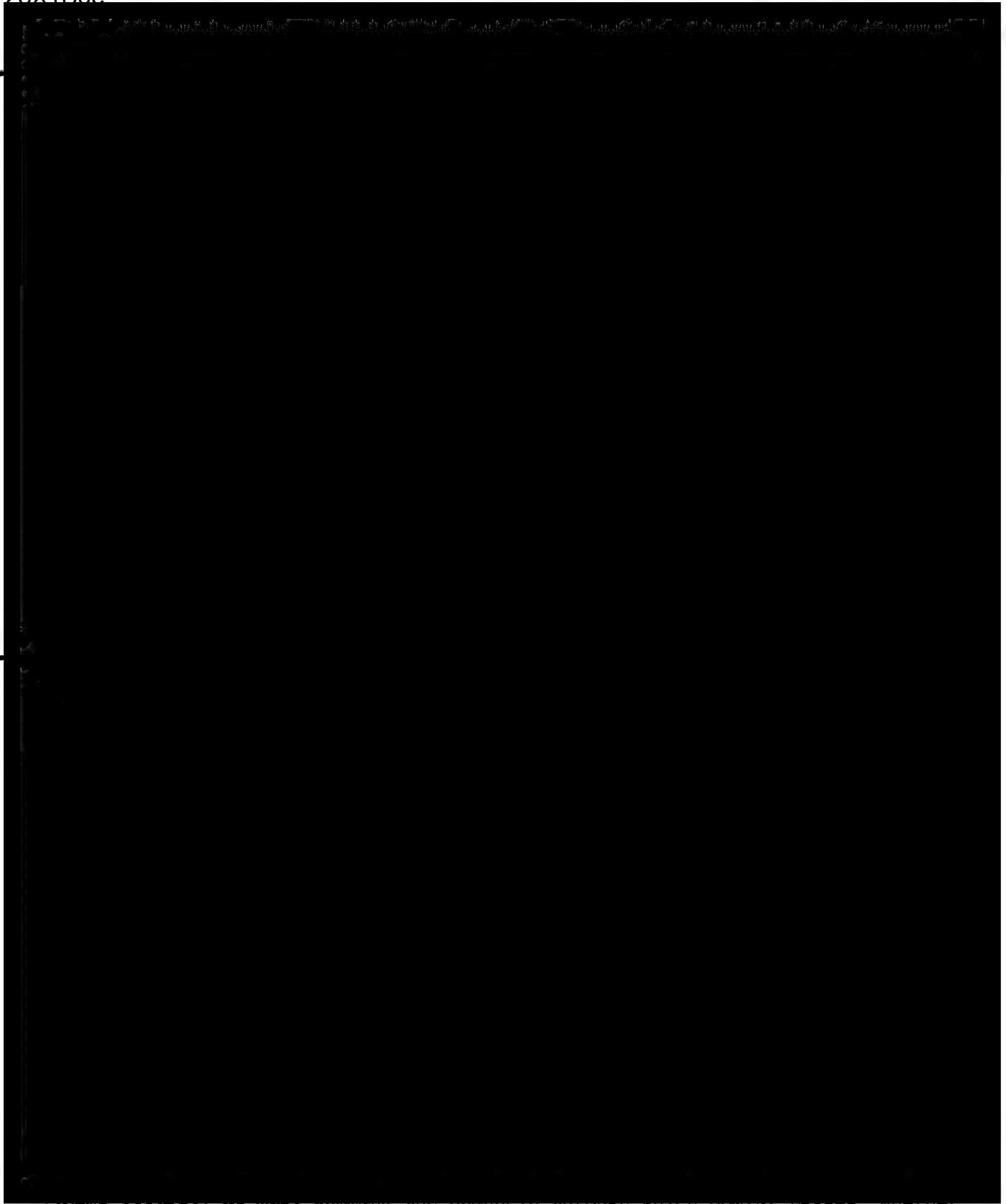
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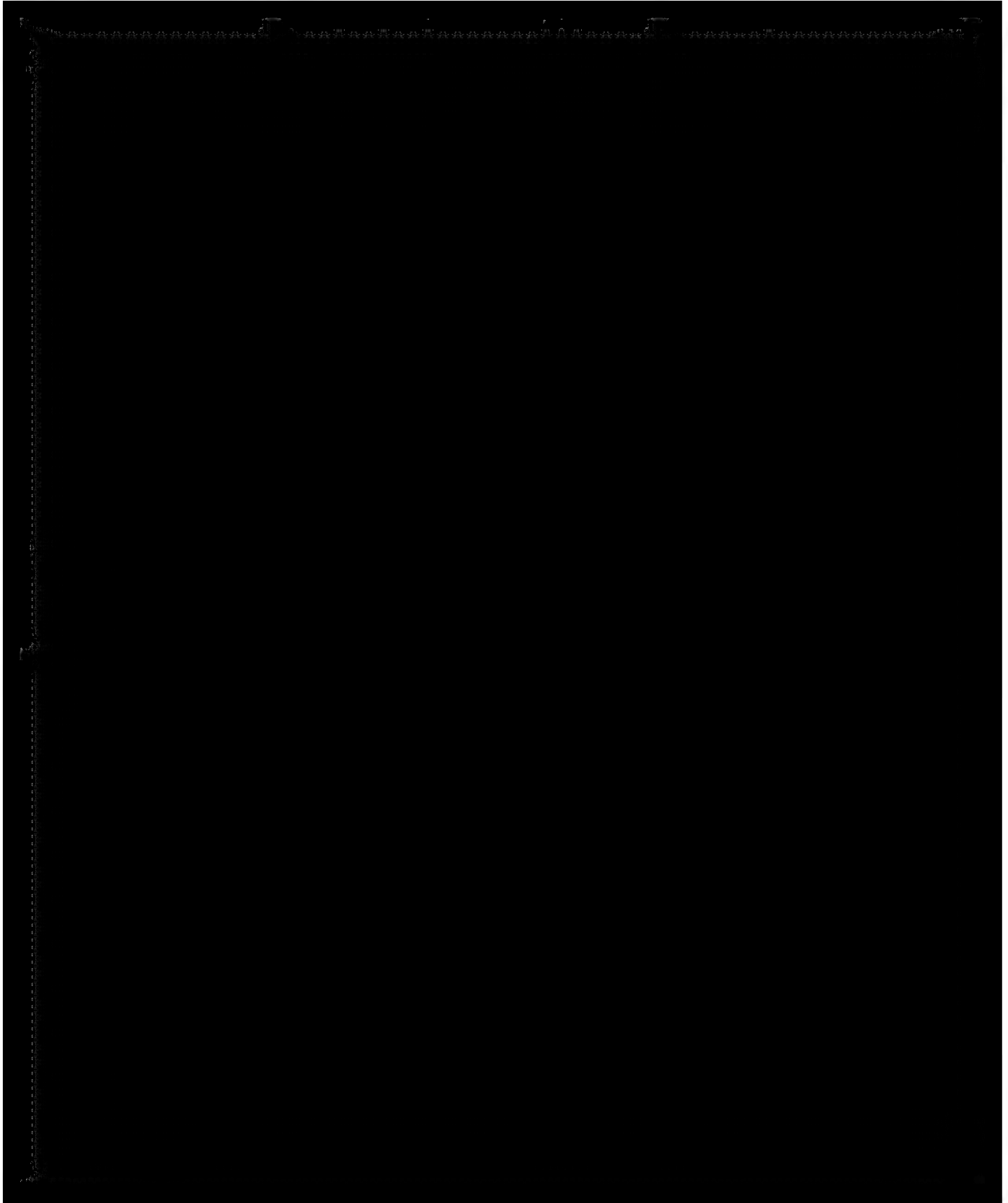
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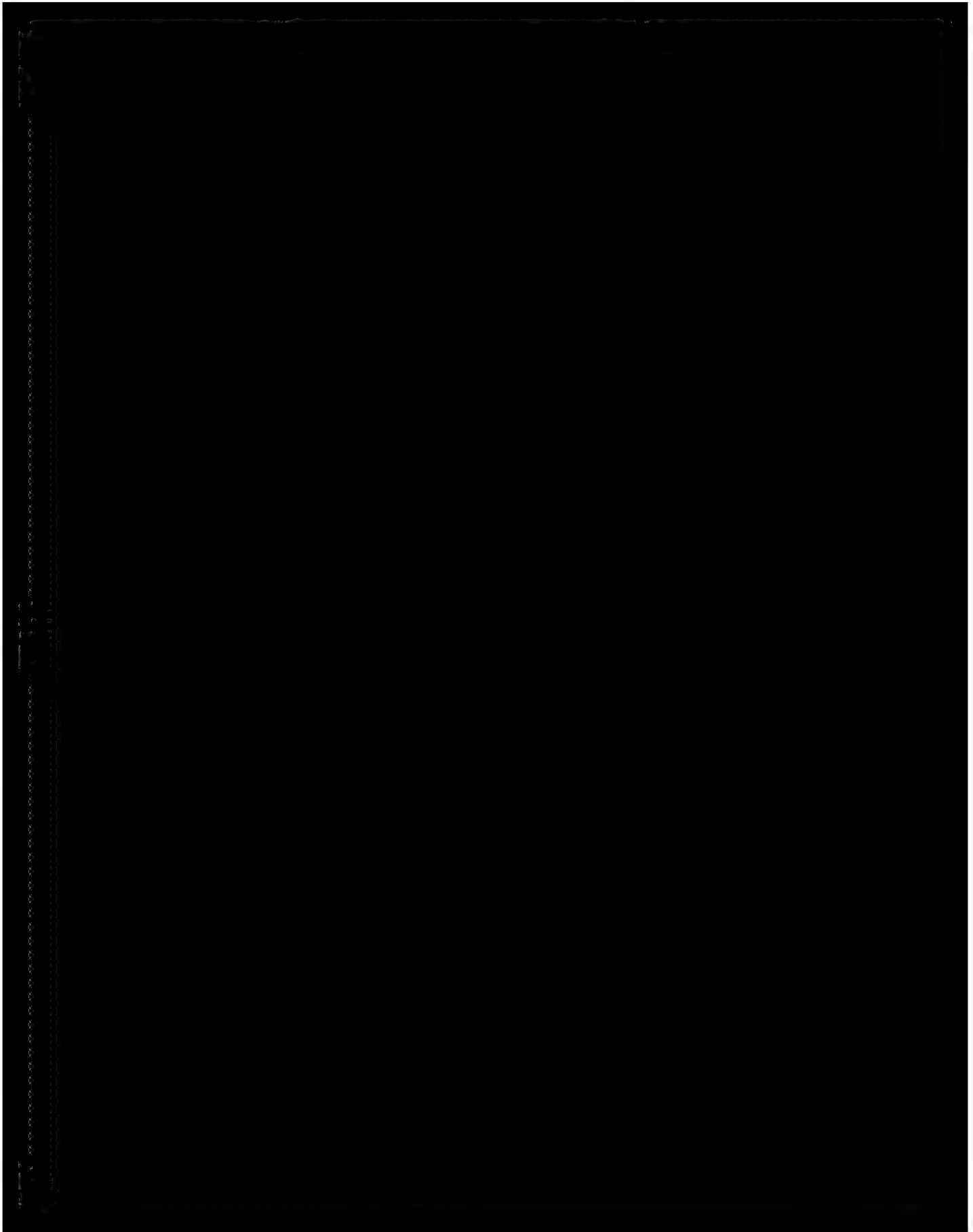


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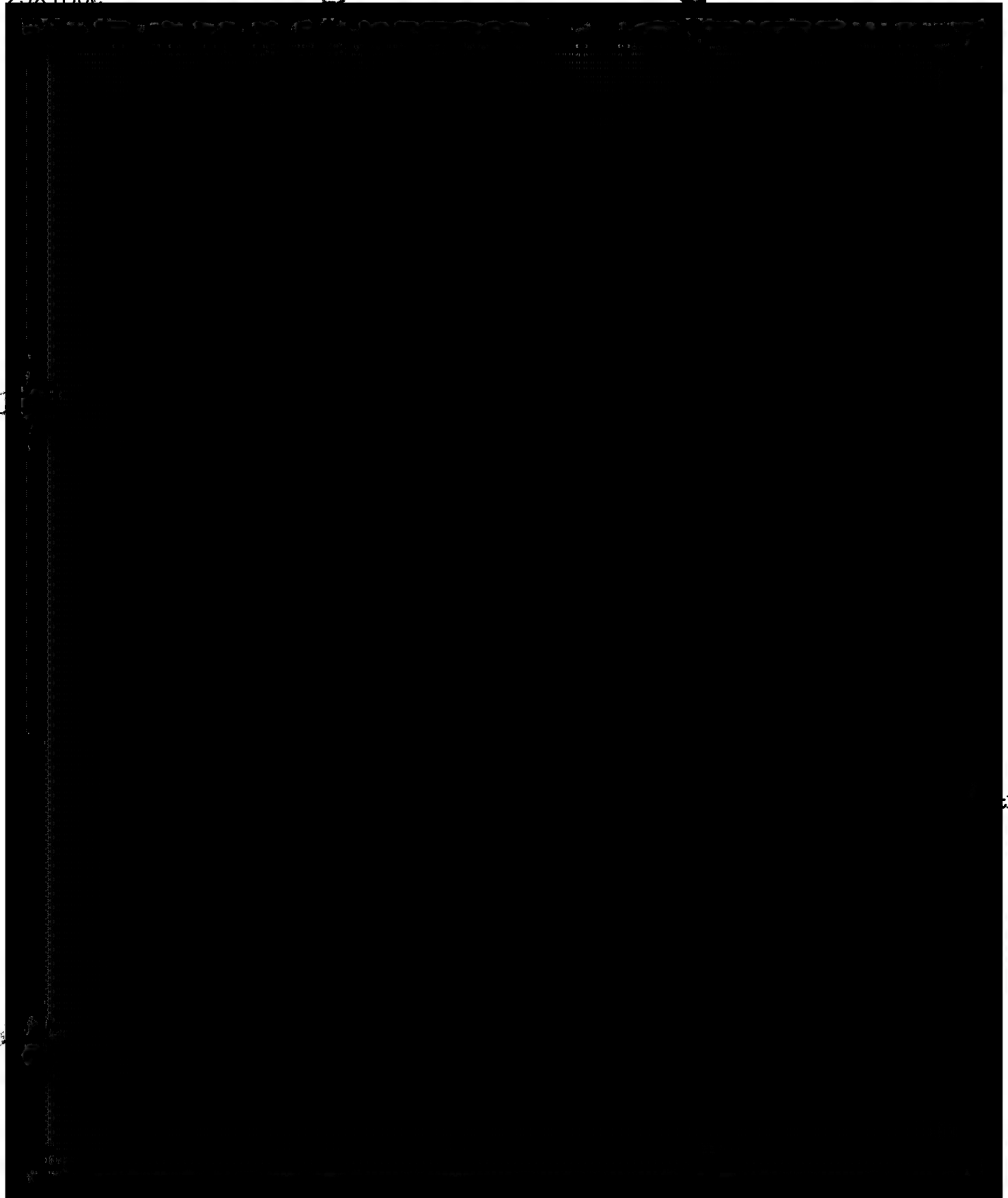


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j. In refutation of the statement in the DD/I's forwarding memorandum that the present COMINT security system "is working well and smoothly," the IG found deficiencies in the present program and recommended that the Director of Security "conduct a careful and realistic appraisal of Agency COMINT Security Regulations to eliminate existing unrealistic and unreasonable requirements...establish clear standards for classification of administrative material relating to COMINT...prepare and follow up clear, precise, and practical instructions on the physical handling and control of ~~SECRET~~ ^{COMINT} material in Special Centers." The DD/I fails to refute the need for such corrective action and states that he "will seek the advice "of the Director of Security on these recommendations.

Recommendation 8

1. Recommendation

"OCI should improve the Current Intelligence Bulletin by:

- (a) Limiting the Bulletin to items of major importance and not publish a Bulletin on a day when there are no items of sufficient importance;
- (b) According more adequate treatment to each item published in order to avoid the criticism that some items are too superficial and misleading because of their extreme brevity;
- (c) Making every effort to counter internal and external criticisms of a tendency to "flashy" and "alarmist" reporting;
- (d) Reducing the distribution of the Bulletin so that items of any degree of sensitivity may be published;
- (e) Refraining from adding estimates to current intelligence items or articles."

2. DD/I Comment

"Concur. As a matter of fact, the IG's recommendations describe long-established office policy governing the Current Intelligence Bulletin.

"a. With reference to the number of articles published, the Board Chairman and all members are fully aware that the Bulletin is restricted to matters of major importance to the policy makers. Furthermore, it has always been office policy that a blank issue should be forthcoming on any day on which there was no intelligence at hand pertinent to any matter of major importance.

"b. With reference to the IG's caveat against extreme brevity: Current intelligence reporting must be brief and at the same time sufficiently comprehensive and detailed to avoid giving a misleading or superficial impression. In order to achieve the right balance in reporting, the Office provides an elaborate routine through which each article must go before coming to the Board for substantive review and selection. In the course of preparation the desk of primary interest, the initial drafter, must coordinate the article with desks of parallel or secondary interest for the obvious purpose of assuring that related facts and interpretations are brought to bear and into focus. This is the responsibility of the division of primary interest. The action taken is recorded on each copy of the resulting working draft of the article together with the name and extension of the officers involved, including the division supervisor who finally approves the draft for submission to the Production Staff.

"Attached to a draft article, submitted to the Production Staff for consideration by the CIB Board, are the supporting documents which form the

basis of the article. Meanwhile, in so far as time permits, the Chairman and Board members have been alerted to the articles on the agenda, either by receipt of a copy of the draft or by notification of subject and principal document of information. In this way, the Board and its Chairman are briefed before convening in formal session. At the same time, copies of draft articles are passed to the Office of the Assistant Director so that, although not present at the Board, the AD is informed of its problems for the day and can give direction as necessary.

"As part and parcel of the Board's task in judging the accuracy and significance of an article and in developing its context and interpretation by critical discussion, it is a major pre-occupation of the Board to read for the layman and to assure that the piece to be published will convey facts and meaning in a manner clear to a reader who is not a functional or regional specialist.

"In short, the Office is keenly aware of the occupational hazards and pitfalls in current intelligence reporting.

"c. With reference to countering any tendency to "flashy" and "alarmist" reporting: "Flashy" and "alarmist" reporting is as obnoxious to a self-respecting current intelligence office as yellow-sheet journalism is to the New York Times. It is a sensationalist's sham. The safeguard against it, over and above the normal checks within the Office, lies in a right appreciation of the analysts themselves. Most experienced analysts are very cautious and are loath to commit themselves to a new interpretation which is out of line with past patterns and prevailing estimates. This predisposition is understandable when stubborn new facts are few and hard to come by, but it can be a liability in an office with the Watch responsibility for the Agency. It is this liability which is of greatest concern. As for analysts who are prone to leap too quickly to unusual or ill-timed conclusions, they are quickly spotted and hedged about by their more cautious colleagues.

"d. With reference to the distribution of the Bulletin: A reduction in the distribution of the Bulletin would not alter the Bulletin's present capability for handling sensitive items. For the present distribution of the CIB, see Tab B.

"e. With reference to "refraining from adding estimates to current intelligence items or articles": In the very nature of the intelligence problem there is a "twilight zone" between estimates and current intelligence. In the interest of harmonious passage through this zone OCI and ONE tried various systems and methods of reckoning before it was agreed--approximately two years ago--to establish a position in OCI for a full-time substantive liaison officer who would handle the substantive problems between the two offices on a daily basis. The results have been gratifying and as the AD/NE has written, "The past many months have been singularly free of crisis between our two offices in connection with our various publications." See unsolicited memo of 9 June 1955 from AD/NE to AD/CI, Tab C."

3. IG Refutation

a. The IG's recommendations may "merely describe long-established office policy." If so, policy was not being implemented by the AD/CI at the time of the survey. The IG found that from the standpoint of meeting the particular needs of the President and the Executive Secretary of the NSC the Bulletin suffers from a number of deficiencies as follows:

(1) "The basic policy of OCI seems to be to publish an irreducible number of items daily, irrespective of whether these items are of sufficient significance to warrant the attention of the President and the NSC. Too frequently relatively unimportant items are reported..."

NOTE: The evidence in support of this finding is as follows:

(i) The Chief of the OCI Production Staff, ^{25X1X8} [REDACTED] _{25X1X8} [REDACTED] informed the IG Survey Team that the AD/CI had stated that the Bulletin "must have four or five items each day and did not go along with the idea of putting out a Bulletin with only one or two items or merely putting out a statement that there was nothing significant to report on a particular day." The same information was obtained from other members of OCI.

(ii) There has never been a blank issue of the Bulletin since the present incumbent became AD/CI, in spite of his statement to the IG survey team that one of OCI's two major problems was "the over-all quality of incoming material." On the other hand, there may be a distinction between the IG's recommendation that the Bulletin should be limited to "items of major importance" and the DD/I's

statement that the policy is to publish a blank issue when "there was no intelligence at hand pertinent to any matter of major importance."

(iii) Analysis of samples of the Bulletin by the Inspector General and the members of the survey team confirmed the statements of many members of OCI that the Bulletin is "padded", with relatively unimportant items. Discussions with representatives of the other IAC Agencies revealed that the Bulletin is used chiefly as a source of material for ~~some~~ briefings and does not come to the personal attention of senior policy making officials with the exception of the Under-Secretary of State. At the White House, a staff secretary selects only three or four items from the Bulletin over a period of seven to ten days as being of sufficient importance or interest to bring to the attention of the President. A member of the NSC Secretariat refers only "significant items" to the attention of the Executive Secretary.

(2) "Overemphasis has been placed on keeping the length of each item to a minimum. This had led to criticism both internally and externally that some items are too superficial and misleading because of their extreme brevity..."

NOTE: The DD/1's description of the procedure for processing an item for the Bulletin and his statement that "the office is keenly aware of the occupational hazards and pitfalls in current intelligence reporting fail to refute this finding which is based on analysis of samples of the Bulletin, statements of members of OCI, ^{other} and recipients of the Bulletin

(3) "Personnel both within and outside the Agency have criticized the Current Intelligence Bulletin and other OCI publications as exhibiting a tendency towards 'flashy' and 'alarmist' reporting..."

NOTE: The DD/I's abhorance of "flashy" and "alarmist" reporting and his concern over the reluctance of analysts "to commit themselves to a new interpretation which is out of line with past patterns and prevailing estimates" do not answer this finding ^{which} has the same factual basis as the preceding finding. Also, a number of analysts and supervisors of OCI complained about the arbitrary imposition of intelligence positions by the AD/CI and other senior individuals. For example, three supervisors stated that they had been told not to write on favorable developments in their geographic areas. One of these stated that he had been told to make the situation look "grim". ~~Two~~ ^{one of the} examples of this imposition were obtained from observing ~~meetings~~ meetings of the Publications Board. ~~One instance involved receipt of a message from a senior member of OCI that he did not want it published. A hastily written item, based on incomplete information, was published when the same individual arrived at the meeting and stated that the DD/I had said, "he wanted to see something on (the subject) in tomorrow's Bulletin."~~

(4) "To be of maximum value to the President and the NSC, the Bulletin should not be restricted in reporting a development because of sensitivity of the information. It is understood that restrictions occasionally arise. The

present dissemination is excessive for the type of information which the Bulletin should contain and is defeating the purpose of the publications..."

NOTE: Presumably the DD/I's comment answers the IG's statement ~~z~~ about restrictions in reporting certain sensitive information in the Bulletin. However, the comment does not answer the finding that present dissemination is excessive. At the time of the survey, 146 copies of the Bulletin were being distributed. Of these 34 were disseminated outside CIA, 63 were distributed within OCI, and 49 were forwarded to other components of the Agency. As of 20 July 1955, dissemination outside the Agency and to other components of CIA had increased by five and six copies respectively. A publication which OCI described to the Clark Committee "as a briefing for the President" should not have a distribution of 157 copies if the "need-to-know" principle is to be followed. For example, there is no valid reason for ORR to receive 28 copies of this all-source publication. The DD/I's disregard for this aspect of security, including COMINT security, is in sharp contrast to the righteous attitude evidenced in his comments on the recommendation of the IG that responsibility for COMINT security be transferred to the Director of Security. The real policy of the DD/I and the AD/CI on application of "need-to-know" to dissemination of OCI publications is indicated by the emphasis on the steadily

increasing dissemination of these publications in
OCI's statements of its major accomplishments for fiscal
years 1952-1955 as set forth in Agency budget estimates.

(5) "The Current Intelligence Bulletin goes beyond a proper current reporting publication and often makes estimates. These estimates not only impinge on the responsibility of ONE but in themselves are dangerous because they are not based upon complete analysis of all available information..."

NOTE: See paragraph e. of the IG's response to the
DD/Is' Comment's on Recommendation 2., page 16, above.

Recommendation 9

1. Recommendation

"The Current Intelligence Digest and its Special Intelligence Supplement should be discontinued."

2. DD/I Comment

"Non-concur on discontinuance of Digest. It represents in effect a natural by-product of the scanning and evaluating process inherent in the current intelligence process. It is a helpful tool for the working levels of the intelligence community and as such, represents a service of common use in the current field, at a cost of \$18,000 per annum for reproduction and printing as estimated by the Inspector General. It is disseminated outside the Agency only upon request. For distribution list of the CID, see Tab D. Also, non-concur with respect to the Special Intelligence Supplement for the same reasons."

3. IG Refutation

a. The DD/I's comment fails to present factual evidence to contradict the findings of the Inspector General that:

(1) "The Digest was started shortly after OCI was established to accommodate those analysts who were not yet cleared to work in the COMINT area. Outside the Agency the publication is used in varying degrees by intelligence analysts for background and reference purposes. In the Services the publication provides analysts with a considerable amount of material from State Department cables which they would not otherwise see. Inasmuch as the Agency does not have a directive from the NSC to produce current intelligence for other IAC agencies as a service of common concern, CIA has no external responsibility to produce the Current Intelligence Digest. In fact, this publication impinges upon the areas of dominant interest of the State Department and the Services. Therefore, the continuance of this publication hinges upon whether it is meeting essential needs of the Agency."

(2) "Various components of the Agency need both current and staff intelligence support in areas which are the dominant interest of other

agencies. OCI considers that the Current Intelligence Digest is one of the means by which it is fulfilling its responsibility to provide support to other components of the Agency. However, it appears that a large measure of such support can be obtained from the great volume of periodical publications and information reports from the other agencies. Also, it is apparent that OCI cannot produce, in addition to its other activities, a 15-page daily digest of current intelligence items which have received the necessary degree of mature consideration and coordination. Thus, there is an inherent danger that the Digest will be misleading to its readers. In addition, OCI can better support other components by responding to their specific requests. Under these circumstances, the man-hours and printing and reproduction costs [\$21,000] required for publication of the Current Intelligence Digest and its Special Intelligence Supplement cannot be justified." (see also the statement in paragraph (i) of the note on page 12, above.

b. As discussed in paragraph 3 (page 5, above), neither the Digest nor any other publication is a "natural by-product of the scanning and evaluating process inherent in the current intelligence process" whose only cost is printing and reproduction. Man-hours are expended by analysts, their supervisors and editors in writing reviewing and editing, items for the Digest. Costs also are incurred in distributing the 503 copies disseminated within CIA, to other agencies, and overseas. At the same time, a major weakness of the publication is that it is produced as an unimportant by-product. Analysts complained that the time required for preparing items for the Digest competed with the limited time available to meet deadlines for the more important Bulletin and Weekly. Both analysts and their supervisors stated that as a result, items for the Digest were hastily prepared and did not represent quality work. Military items for the Digest are not normally coordinated with Services. The Digest is not

reviewed and approved by the Publications Board and individual items receive no higher substantive review than by a branch or division chief.

Recommendation 10

1. Recommendation

"Both the Dawn and Daily Watchpot should be discontinued. If there is urgent need to inform senior officials of receipt of significant information prior to reporting it in the Current Intelligence Bulletin, this should be done by means of oral briefings or memoranda."

2. DD/I Comment

"The Watchpot is not a publication--it is a summary of the more important raw information received, a tool and a reminder in hand. The only test of its worth should be the opinion of its few recipients. The "Dawn" edition is a by-product of the off-duty Watch. For distribution list, see Tab E. Personally, I find the Watchpot invaluable as a ready check list at the end of a busy day of all items that I should note and/or take action on. If other recipients do not find it so, I shall merely direct that a single typewritten equivalent be furnished me.

"The Dawn Watchpot costs nothing in terms of substance because it's essentially the substantive log of the night Watch officers and fills the gap between the time the Bulletin is put to bed and the opening of business the next day.

"I emphatically disagree with the suggestions that oral briefings should take the place of these publications. From my point of view a sufficient reason is that I normally study this material at approximately 0800 hours in the morning and between quarter of seven and quarter past seven in the evening. To require appropriate analysts to stand-by for briefings at such hours five days a week would be unthinkable."

3. IG Refutation

a. In response to the DD/I's statement that "the Watchpot is not a publication," it is pointed out that:

(1) On 8 December 1954, OCI prepared for the Clark Committee a tabulation entitled "Office of Current Intelligence Publications" (Enclosure to OCI-2813) ~~and~~ which included the Watchpot.

(2) On 11 January 1955, in his initial interview with the IG survey team, the AD/CI specifically included the Watchpot as one of OCI's publications.

(3) At the time of the IG survey, 41 copies of the Dawn Watchpot and 44 copies of the Daily Watchpot were printed, with occasional graphics material included (not dittoed or mimeographed) at an approximate printing

cost of \$7,500 per year.

b. The DD/I's comment fails to answer the findings of the Inspector General that:

"The Watch Officers who prepare the Dawn Watchpot are not substantive specialists. Personnel in the Secretariat who prepare the Daily Watchpot also are not substantive specialists, although they discuss the proposed items with representatives of the area divisions. As in the case of the Current Intelligence Bulletin, the policy seems to be to publish an irreducible minimum number of items. Thus, the Watchpot contains much information of insufficient significance to warrant the time and attention of senior officials of the Agency. Because of its unevaluated and fragmentary content and its alarmist tendencies, the Watchpot is misleading."

c. Essentially, all of the supervisors and analysts in OCI's substantive divisions who were interviewed by the IG survey team had a low opinion of the quality of the Watchpot. Many of these individuals regard the Watchpot with a slightly amused air of tolerance. Also, the complaint was made that the night Watch Officers, who select items for the Dawn Watchpot, had received no guidance ^{information} on what to select.

Recommendation 11

1. Recommendation

"The Current Intelligence Weekly Review and Summary should be reduced in length and limited to coverage of major trends and anticipated critical situations which may require action by the NSC."

2. DD/I Comment

"From the time I took over as DD/I I have concerned myself with developing as nearly as possible an ideal weekly publication. In 1953 we were producing a Current Intelligence Review, a Situation Summary and these were shortly joined by such semi-regulars as the Critical Situations, Indochina Weekly, and a host of other occasional starters.

"A careful survey of our principal readership convinced me that a single publication (in two classifications, Codeword and Secret) would fill all legitimate needs of our consumers as well as the necessity of providing within the Agency an authoritative roundup of the critical events of the week and likely developments in the near future. It would also obviate the need for most of the special memoranda which invariably involve unnecessary high level time in determining dissemination and also are apt not to reach the most important customers as surely as does a regular publication.

"The present Weekly is tailored to meet the needs of people who can devote varying times to reading it:

- "(a) The 5-minute senior official need concern himself only with Part I normally limited to about 5 pages.
- "(b) If a person can spare 20 minutes, he can select from brief summaries in the Table of Contents such articles in Section II as particularly concern him.
- "(c) The intelligence generalist or policy-maker who can afford an hour a week can find reasonably complete coverage on all significant events and trends in the world as well as, in Section III, intensive treatment of selected topics of underlying or long-range significance.

"The publication in its present form has been issued for only about six months. At the end of the year I intend to conduct an intensive study of its recipients and use and will eliminate or alter portions of it in accordance with the findings of the survey."

~~The Weekly is "believed tailored for high level consumers and is rigorously kept down in size and number of items handled to that end."~~

3. IG Refutation

a. The DD/I fails to present any factual evidence to refute the finding of the Inspector General that:

"Interviews with representatives of the departments and agencies to whom the Weekly Review is addressed revealed unanimous opinion that it is too voluminous a publication for senior officials and, therefore, tends to defeat the purpose for which a weekly publication was originally designed. This survey revealed that the Weekly Review and Summary are not read by senior officials. The publications are used as a source of material for briefing such officials and for reference purposes by analysts."

b. The DD/I refers to a "careful survey of our principal ²Leadership." However, the DAD/CI informed the survey team that "no systematic canvas had ever been made of the exact use which recipients were making of OCI publications." Representatives of other agencies indicated that the IG survey was the first authoritative effort to obtain their frank appraisal of OCI's publications.

RECOMMENDATIONS 12 AND 13

1. Recommendations

a. "The need and responsibility for [REDACTED] 25X1A2a should be reviewed and determined by the IAC, and the Director should then decide whether OCI should continue the Project or whether he should undertake to have it continued by the Department of State."

b. "The Director should undertake to have the IAC review the scope, purpose, and responsibilities for the NIS, National Intelligence Digest, the OCI Handbooks, the JCS Basic Intelligence for Planning, and the G-2 Summary of Intelligence Data for the purpose of their consolidation and preparation on a coordinated community-wide basis."


2. DD/I Comments

a. "With respect to the recommendation that [REDACTED] 25X1A2a and the OCI Handbooks be reviewed and coordinated by the IAC, I am opposed for the elementary reason that we do not recognize that the IAC has any mandate to determine our internal projects."

b. [REDACTED] 25X1A2a was authorized by the DCI (see Tab F for memo from DD/I this subject). There is nothing comparable to this Project elsewhere in the IAC community. The results have received high praise from Mr. George Kennan. (See Tab G for memo from Chief, SR Division, to DD/I relating Mr. Kennan's comment). [REDACTED] has verbally, more than once given high praise to this Project. A review and determination by the IAC of the need and responsibility for [REDACTED], as recommended by the IG, is inappropriate. 25X1A2g

25X1A9a

25X1B0e



d. "The Handbooks could be justified alone on the internal use made of them, particularly in the DD/P field stations and also by the NSC Staff. I cannot imagine any more appropriate function for an Office of Current Intelligence than to maintain up-to-date concise reference manuals on all areas of the world."

e. "A suggestion that the IAC review on an over-all basis the National Intelligence Survey, National Intelligence Digest, OCI Handbooks and similar publications by the Joint Staff, G-2, etc., has much merit but I believe the objective can better be accomplished by dealing with the problem a piece at a time. In the first place I have, with the Director's concurrence, abolished the NID. I have also accomplished a large measure of consolidation into the NIS program of previously independently published ORR studies on the Bloc economy. The current arrival on the scene of NIS summary chapters does present an opportunity for curtailing duplicatory publications by independent agencies, but only five out of an anticipated 108 of these now exist, and it will be FY-1963 according to present schedules before the series is complete. In any event these books will be revised probably biannually and at most annually so the need for a terser handbook revised every 30 days is likely to persist. Finally, one cannot escape the fact that community-wide "coordination" of any publication no matter how factual and non-controversial takes time and effort and therefore money in an amount that normally far exceeds what would be saved by abolition of intra-agency publications such as the G-2 mimeograph "Summary of Intelligence Data."

3. Inspector General Refutation

a. The DD/I's comment that "we do not recognize that the IAC has any mandate to determine our internal projects" is refuted in the discussion of

Recommendation No. 2. See sub-paragraph (e) on page 13, above.

25X1B0e



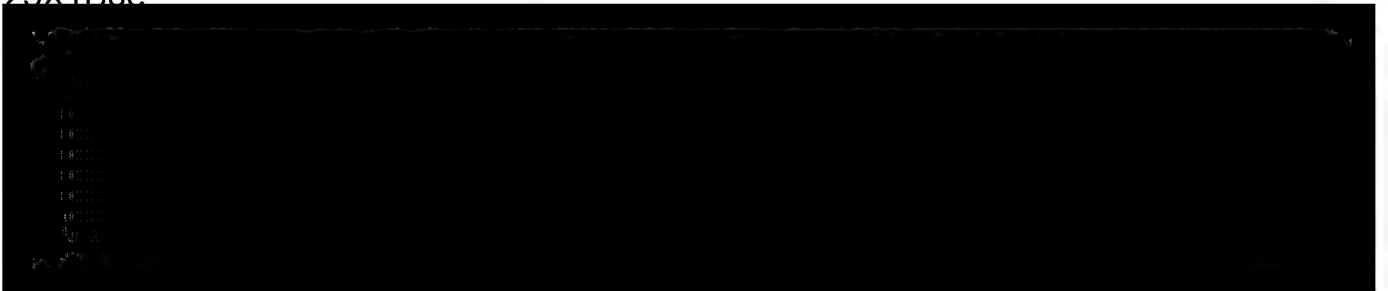
c. The DD/I objects to the IG's recommendations on the grounds that "an inter-agency committee would be far more extravagant than the present practice ~~and~~ [and that] community-wide 'coordination' of any publication no matter how factual

and noncontroversial takes time and effort and therefore money in an amount that normally far exceeds what would be saved by abolition by intra-agency publications such as the G-2 mimeograph 'Summary of Intelligence Data'. These objections may be answered as follows:

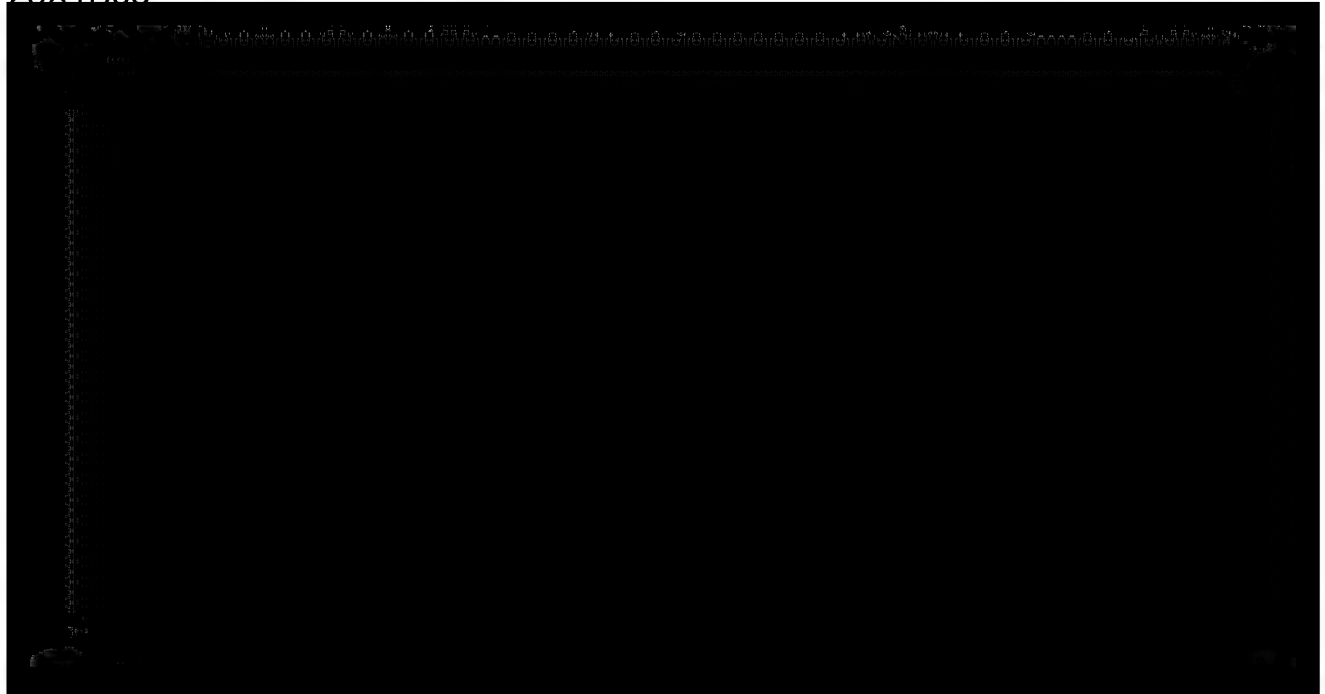
(1) Coordinated community-wide production of intelligence in accordance with areas of dominant interest is a basic principle of the National Security Act and the NSCID's (see the conclusions of the Dulles-Jackson-Correa Report quoted in sub-paragraphs (a) and (b), page 9, above and the discussion in subparagraph (e), page 15, above.) If the DD/I feels that this principle is extravagant, he should propose that the Director recommend to the NSC that CIA conduct all intelligence production, including the NIE's and the NIS, as a service of common concern. Until such a change is approved by the NSC, the DD/I should abide by existing directives.

(2) The DD/I fails to present factual evidence to support his statements. Actually, production of these studies in accordance with areas of dominant interest should permit elimination of duplication between OCI and other agencies. For ^example, a GS-11 in OCI who is conducting research on military personalities in the USSR and Satellites, stated that "The Services are all working on this subject in varying degrees, but I don't know exactly how much research they are doing."

(3) The IAC is the appropriate mechanism for obtaining the abolition of overlapping "intra-agency publications".
25X1B0e



25X1B0e

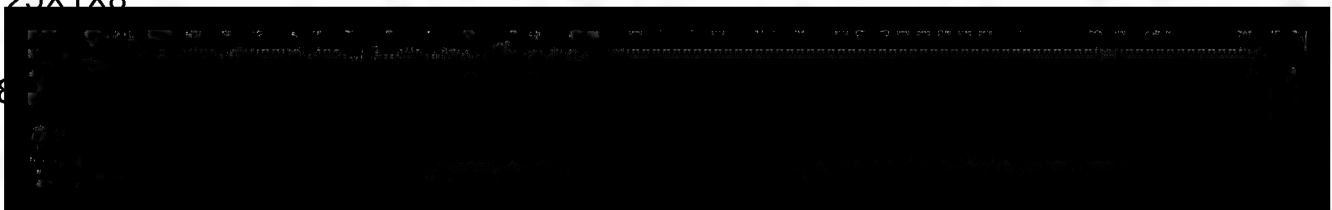


f. The DD/I's statement that the OCI Handbooks are "revised every 30 days" is inaccurate. The description of "the OCI Handbook program" which is attached to his comments states that "whole books are revised on an average of every six months; the current issue section more frequently. The revision interval is determined by the area division chiefs."

Defer

RECOMMENDATION 14

1. Recommendation: "In order to provide central, consistent and authoritative review and approval of OCI's substantive issuances, a full-time and authoritative Publications Board should be established consisting of four senior members of the Office with responsibility for planning Office publications and reviewing and controlling all substantive issuances."



"The IG's recommendation is readily recognized as an ideal stated in organizational form, and it is, in fact, almost identical with the earliest thinking in OCI on the problem of providing a uniform procedure for clearance of intelligence production. The institution of a Publications Board in OCI was from the outset a conscious attempt to profit from the experience of ORE which had suffered for lack of a similar organizational device.

"Despite the additional cost of maintaining a number of senior positions devoted to a formal board in continuous session the office gave serious consideration to a solution as ideal and simple as that recommended by the IG. The objection in practice to such a solution is that the substantive division chiefs, who should be members of the Board, cannot be in a continuous Board session and run their divisions at the same time. The present procedure of the office is its application of the ideal principle to the practical necessities of a fast moving operation, and as can be seen in what follows, the principle is observed without incurring the cost of additional senior intelligence officers.

"The discussion under 8b above will have sufficed to show how the Board operates with reference to the C.I.B. For the C.I.D. the Board is not convened. Articles are passed by the divisions to the Editorial Division, Production Staff, where they are checked by the editors and by the Chairman of the Publications Board. The Weekly Review is actually processed by the Board but in a series of relatively informal meetings. The three principals in these sessions are the Soviet Staff Chief, the Regional Staff Chief and the Production Staff Chief (who is ex officio Chairman of the Publications Board). These meetings continue as required up to the close of business on Wednesday, division chiefs attending on call. The final session takes place at the opening of business each Thursday morning in the AD's office, when the draft of the entire weekly is approved by the AD, after discussion with the three staff chiefs referred to above. Intelligence notes and memoranda observe the principle in a somewhat different but equally effective manner, as provided for in printed office instructions. The draft which reaches the Production Staff has attached to it a printed form on which the appropriate staff chief must explain the memo's origin and justification, certify that any necessary coordination has been effected, and signify his approval of the memo's substance. The draft then goes to the Editorial Division where it is checked for form and proofed. The next and last step in the process is to obtain the AD's approval. The final draft may not be run off for distribution until the AD has initialed his approval on the printed form attached to the draft.

3. Inspector General Refutation:

a. The DD/I's comment fails to refute the findings of the Inspector General that:

(1) "There is no central, consistent, and authoritative review and approval of publications and other substantive issuances in OCI...responsibility and authority for such review and approval are dispersed among a number of individuals and units in the Office with the inherent danger of conflicting substantive opinion being disseminated both within and outside the Agency....."

NOTE: Review of the examples presented in the IG survey and the DD/I's comments indicates that, contrary to his statement, OCI is not observing the principle of "central, consistent, and authoritative review and approval" of substantive issuances.

(i) As indicated in the findings quoted in paragraphs (2) and (3) below, the Publications Board is not providing adequate review of the Bulletin.

(ii) The DD/I admits that the Digest is not reviewed by the Publications Board. Contrary to his statement, items for the Digest were not being reviewed for consistency, etc., by the Chairman of the Publications Board at the time of the IG survey.

(iii) The DD/I's statement that "the Weekly Review is actually processed by the Board but in a series of relatively informal meetings" is inconsistent with statements made to the survey ^{team.} On 27 January 1955, the Chief of the Regional Staff stated that the Publications Board was "too big" and that he planned to eliminate it from the Weekly.

In response to a direct question, the AD/CI stated that the Weekly was no longer being processed by the Board because it was "cumbersome". The survey team also asked the AD/CI to explain the different approval and review procedures for OCI's various issuances. In his explanation, the AD/CI did not even endeavor to deny that "review and approval was dispersed among a number of individuals and units in the Office."

(iv) The DD/I's comments do not include other substantive issuances, i.e. the Director's briefings for the NSC, briefings for the White House Staff, the Watchpots, Soviet Propaganda Highlights, 25X1A2g and the Handbooks.

(2) "The present Publications Board was unimpressive when observed during this survey and is not considered adequate to perform the important function of centralized review and approval of all publications and other substantive issuances in OCI. Although the statement of the mission and functions of the Board specifies that it is composed of staff and division chiefs, there is a lack of continuity of membership. In the case of at least two divisions, representation is rotated among senior members of the Division. In the case of other divisions, substitutes or alternates frequently attend. In addition, the Board is too large for the effective performance of its mission. During the months of May through August 1954, an average of 13 "members" attended each Board meeting."

(3) "The Board appears to spend most of its time on semantics and other editorial matters instead of concentrating on substantive questions. The effectiveness of the Board has been reduced by arbitrary decisions of senior officials of OCI which were contrary to the judgement of the Board. Examples of such decisions are that: (a) a specific number of items would be published; (b) a particular item would not be published; and (c) a hastily written item would be accepted because the DD/I wanted something on the subject in the next day's Bulletin."

b. The DD/I advances two objections to a full-time Publications Board of four senior members of the Office: (1) "the additional cost of maintaining a number of senior positions devoted to a formal Board in continuous session;" and (2) "the substantive division chiefs, who should be members of the board, cannot be in continuous board session and run their divisions at the same time." These objections can be answered as follows:

(1) A full-time Publications Board of four senior members would not entail additional cost inasmuch as the Board should be composed of the DAD/CI and the present chiefs of the Soviet, Regional and Production Staffs. The IG Survey recommended that the Soviet and Regional Staffs be abolished as unnecessary organization components; that the four area divisions be placed under the direct command of the AD/CI, and that the Acting Deputy Chief of the Production Staff be assigned to the position of Chief of the Production Staff.

(2) Inasmuch as the mission of OCI is the production of current intelligence, the necessary careful, and mature planning and review of proposed articles, etc., warrants a full-time group of senior intelligence officers who have no administrative responsibilities.

(3) The Publications Board recommended by the IG be more effective than a Board composed of the division chiefs for the reasons set forth in the IG findings quoted in subparagraphs (2) and (3), above.

RECOMMENDATION 15

1. RECOMMENDATION: "The AD/CI, through OCI's Career Service Panel, should develop a realistic program of career development which will include provision for rotation of OCI personnel to other appropriate Agency components."

2. DD/I COMMENT: "The office strongly concurs in the recommendation for a realistic program of career development. The attached record, see Tab I, will show that the office has supported this concurrence with action throughout the past three years at a rate which would effect a complete replacement of its personnel within a period of 10 years."

3. IG REFUTATION

a. The DD/I's comment is inconsistent with statements of the AD/CI and DAD/CI. The AD/CI informed the survey team that one of OCI's two major problems was career rotation. He stated "it is practical to rotate only a small percentage of personnel to other components of the Agency." The DAD/CI stated that ^{this} ~~the~~ major problem ^{25X1X8} [REDACTED] existed because there are "few opportunities for rotating OCI personnel to other offices and the OCI Career Service Board is behind and not in front of the problem." Most of the OCI personnel interviewed were unaware of any career planning and many of them complained of the lack of opportunity for assignment elsewhere.

b. The data attached to the DD/I's comments cannot be accepted at face value because it includes personnel who ^{25X1X8} [REDACTED] *(because of dissatisfaction with OCI and)* who ~~individually~~ arranged ~~for~~ their own ~~transfer~~ ^{transfer} at least one person who OCI considered to be an unsatisfactory employee.

RECOMMENDATION 16

1. RECOMMENDATION: "The AD/CI should prepare an annual program of Office objectives for dissemination to all personnel and should issue statements defining OCI's mission and the purpose to be served by its publications."

2. DD/I COMMENT: "The Office objectives have remained essentially unchanged for the past few years. It is questioned whether the personnel are not fully aware of their missions."

3. IG REFUTATION:

a. This comment fails to answer the finding of the IG that:

"There is strong evidence that analysts in OCI are motivated by intense professional pride in their individual substantive production as distinguished from a broader sense of contribution to the Office, the Agency and National Security. This emphasis on self-interest is due to three factors. First, the personnel have not been given a clear picture of OCI's mission and the purpose of its publications and issuances; a second, there is no program of annual objectives; and third, many substantive personnel have been too long in their present positions."

b. Many members of OCI complained to the IG survey team that they "had not been given a clear pictures of OCI's mission and the purpose of its publications and issuances." The only statement which the survey team could find on the subject of what OCI felt it should be accomplishing and the purposes to be served by its publications was in material prepared for the Clark Committee and in a memorandum on consolidation of weekly publications which was prepared during the survey.

RECOMMENDATION 17

1. Recommendation.

" Except in critical situations, the AD/CI and his senior assistants should adhere to established organizational channels in providing direction to components of the Office."

2. DD/I Comments.

a. "Adherence to the chain of command is admittedly desirable whenever practical, but in fast moving situations it must be recognized that access to the point of solid information in a minimum of time is of paramount consideration. This problem affects all echelons of the Agency. I know I am apt to be just as guilty of skipping channels as any other senior executive in the Agency but I count on standing instructions that all recipients of orders or requirements will immediately notify any intermediate office or control point."

b. " Therefore, I feel that your singling out AD/CI and his senior assistants for special restrictive instructions limiting their freedom of action to 'critical situations' is unwarranted by the facts and would impose an inflexibility that would mitigate against the best performance of their duties."

c. ^{25X1X8} ~~_____~~ This recommendation ^{is} ~~was~~ essentially hortatory and will be followed insofar as possible considering the frequently hectic pressures under which OCI operates."

3. Inspector General Refutation

a. The DD/I's comments ^{do not} ~~neither~~ refute ~~the findings~~ the findings of the Inspector General that: (1) "There is widespread disregard of organizational channels by senior personnel in OCI and by the DD/I's office in dealing direct with subordinate units and analysts" and (2) "this disregard ^{for} ~~for organizational channels~~, while occasionally justified on an "ad hoc" basis, has reached the point in OCI where it has created confusion and duplication of effort." These findings were based on extensive complaints by both supervisors and analysts in OCI, particularly ^{as to the} ~~as to~~ lack of clarity and conflict in instructions on urgent projects.

b. The disregard for organizational channels is unnecessarily increasing
the pressures under which ~~divisional and branch level~~ personnel are ^{working-} being
25X1X8
[REDACTED]

c. No organization operates under greater inescapable pressures than
small military combat units. ^{from his military experience} The DD/I should be well aware of the confusion
and inaction which results when such units receive conflicting or unclear
commands outside established channels.

RECOMMENDATION 18

1. Recommendation.

"The AD/CI, through his deputies and his Support Staff, should define and enforce administrative responsibilities of supervisory personnel and establish a uniform promotion policy for the Office."

2. DD/I Comments.

a. "Concur. OCI promotions are not out of line, however, with other DD/I offices, the average being approximately 3% per month."

b. ~~The DD/I also commented that~~ This recommendation ^{is} "essentially hortatory and will be followed insofar as possible considering the frequently hectic pressures under which OCI operates."

3. Inspector General Refutation.

a. The recommendation that the AD/CI establish a uniform promotion policy was not directed at the ~~promotional~~ volume of promotions but at the finding that there is no consistent policy on prerequisites for promotion and "too little emphasis is placed on over-all performance standards and the recommendations of supervisors." The Inspector General also found "evidence that some promotion actions have been deferred for indefinite periods by the AD/CI with ^{out} notification to the unit supervisor of the reason for such deferral." A number of past and present members of OCI complained that the AD/CI exercised favoritism in promotions.

b. The recommendation that the AD/CI define~~x~~ and enforce~~x~~ ^{administrative} ~~advisory~~ responsibilities of supervisory personnel is not "essentially hortatory". The DD/I does not question the basic principles that:

(1) "In the production of current intelligence, it is essential that more than normal care be exercised to guard against the unnecessary ^{and} imposition of pressure on personnel on all levels"; (2) "The most effective

deterrent in this respect is the maintenance of the highest standards of office management and personnel administration". Neither does the DD/I refute the findings of the Inspector General that: (1) "Apparently each staff and division is administered individually according to the ^{discretion} ~~discretion~~ and judgment of its chief"; and (2) "The lack of consistent guidance on administrative matters has resulted in a 'hodge podge' of conflicting policies which are having a serious effect on employee morale." The recommendation in question was designed to correct these deficiencies, and if ~~immediately~~ implemented, would ~~immediately~~ reduce the pressure under which OCI personnel are working."

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RECOMMENDATION 19

1. Recommendation.

"The OCI Familiarization and Survey Travel Program should be suspended immediately and not extended to other offices of the Agency."

2. DD/I Comment.

"It is essential in current intelligence that desk officers have direct experience, whenever possible, of the conditions in the areas of their reporting responsibility. Academic learning even when combined with direct experience in years past is not adequate for developing and maintaining that sense for changing directions arising out of the interacting forces within an area. If there is a better way of achieving the objective of the office's area familiarization program, we would be glad to know of it."

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3. Inspector General Refutation.

a. The DD/I's comment ^{does not} ~~neither~~ answers ~~neither~~ the findings of the Inspector General that:

(1) "A thorough review of the itineraries of individual travelers and sampling of trip reports submitted since 1953 reveals that a majority of the trips consisted of superficial visits to the principal cities of the countries within a regional area. Many of the reports submitted do not reflect acquisition of information beyond that which is already available in various intelligence documents in Washington. Because of its superficiality, such travel can contribute little to the knowledge and competence of OCI personnel, and its value is not commensurate with the expense."

(2) "A strong impression was obtained in this survey that familiarization and survey trips are regarded generally as 'rewards for faithful service'. This impression resulted from ~~these~~ statements by members of OCI, and also

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who review the travel requests,
statements by ~~personnel~~ ^{individuals} outside OCI that there had been many abuses of the travel program and that too many OCI personnel regarded it as an opportunity for a "60-90 day paid vacation."

NOTE: As an example of a familiarization trip ^{et al} "reward for faithful service", the IG survey referred to an ~~area familiarization~~ ^{trip} scheduled for the Chief of the Secretariat of OCI Production Staff beginning on 2 April 1955. It was pointed out that "although the OCI Notice provides that such trips will be given only to members of the Regional Staff, OCI has justified this trip on the grounds that the Chief of the Secretariat is a 'global intelligence specialist' [and that] the validity of this category is doubtful and his trip cannot be justified on the basis of orientation or training in view of the limited time allotted for visit to each country." A review of the travel voucher for this trip indicates a gross abuse of the travel program and will be the subject of a separate memorandum.

(3) "In sub-paragraph 3b (3) of OCI Regulation No. 22-100, it is stated that personnel traveling under this program have an 'implied obligation' to remain in OCI in consideration of OCI's investment. Such an obligation to a particular Office is contrary to the Agency's over-all program of career rotation."

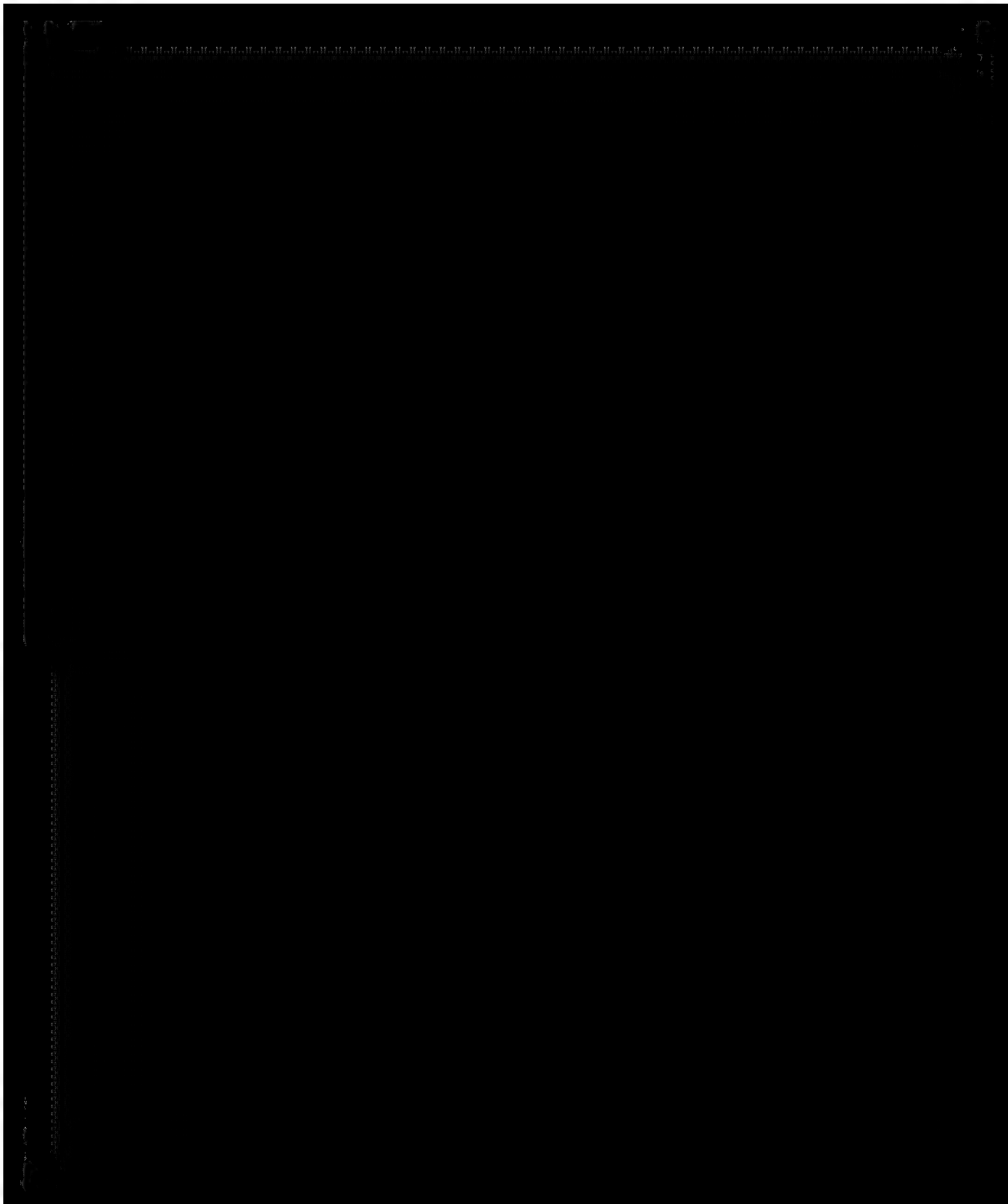
(4) "In addition, such widespread travel is hazardous in that it exposes a significant segment of Agency personnel to possible foreign security surveillance and thereby unnecessarily jeopardizes Agency clandestine activities abroad."

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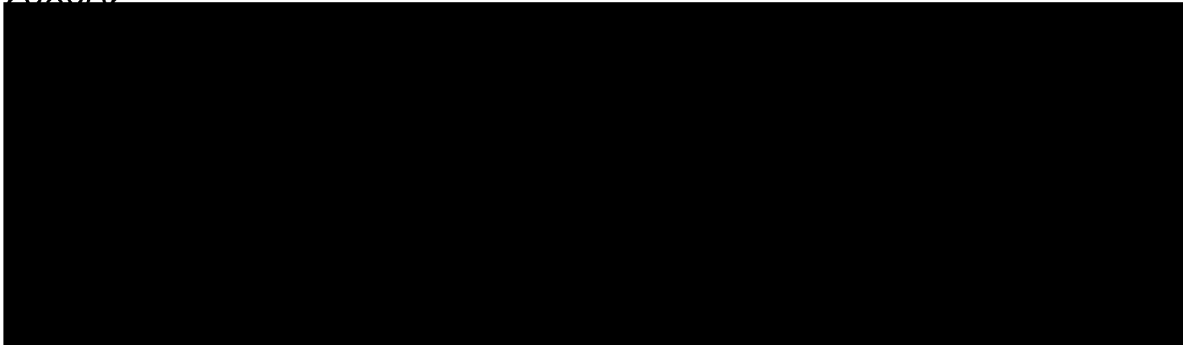
b. The Inspector General agrees that OCI personnel should have direct area experience. A better way of achieving it is, as stated in the IG survey, "a two or three year assignment of OCI personnel to non-operational positions in some of the larger Clandestine Services installations 25X1A6a 25X1A6a [REDACTED] In essence, this was ^{the DD/I's} ~~Mr. [REDACTED]~~ suggestion to the then DD/I when the OCI travel program was first proposed.

RECOMMENDATION 20

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RECOMMENDATIONS IN THE DISCUSSION SECTION OF THE
INSPECTOR GENERAL'S REPORT

The recommendation section of each Inspector General's survey contains the most important recommendations and at the end of this section there is a final recommendation that appropriate action be taken on the additional recommendations in the discussion section of the report.

1. Recommendation

"Because of the importance of indications intelligence it is recommended that the AD/CI utilize the position of GS-15 Special Assistant in his Office for a senior intelligence officer to be responsible for taking the necessary action to ensure OSI, ORR, and OCI place adequate emphasis on support of the Watch Committee and the Indications Center."

a. DD/I Comment

"Support of NIC is expected to be increased under realignment of OCI as compared to support under previous alignment. This aspect of current intelligence has continuously received the highest priority and attention in this office."

b. Inspector General Refutation

(1) The DD/I comment fails to answer the Inspector General's recommendation. The DAD/CI informed the survey team that the position of GS-15, Special Assistant was to be used for a senior indications officer if the indications function was not performed satisfactorily under the realignment which had been in effect since early 1954.

(2) In reply to the DD/I's statement that indications intelligence "has continuously received the highest priority and attention in this office," the IG survey stated that:

"Prior to the ~~realignment~~ of OCI in early 1954, the Office had a full-time Indications Staff with an on-duty personnel strength of 26. This Staff has been abolished and the AD/CI has placed upon each analyst the responsibility

of reviewing incoming information from and indications standpoint. In addition, Indications Coordinators have been designated in each of the area divisions. At the time this survey started, the Chief of the Military Division in the Soviet Staff was charged also with providing staff support to the DDCI as Chairman of the Watch Committee and with coordinating the indications intelligence activities of OCI. During this survey the Chief of the Military Division was relieved from these additional responsibilities and they have become the full-time duties of a member of the Soviet Staff, who has a part-time assistant."

"The impression was received during this survey that since the abolition of the Indications Staff, OCI has not been placing sufficient emphasis on indications intelligence. Experience indicates that proper attention to indications requires constant staff supervision by a senior member of the Office."

(3) The IG survey team was informed that the decentralization of the indications function was not working as well as the full-time Indications Staff because the Indications Coordinators have additional responsibilities and also do not see all the incoming material. One of the coordinators indicated that he considered his other duties more important.

2. IG Finding "OCI is producing 15 publications in addition to Intelligence Memoranda with a total distribution of 2150 copies."

a. DD/I Comment OCI "publishes four publications."

b. Inspector General Refutation

(1) Either the DD/I and the AD/CI are not familiar with what OCI is producing or they have a guilty conscience over the number of publications and are relying on a technical interpretation of the word "publication".

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(2) On 8 December 1954 OCI prepared for the Clark Committee the tabulation entitled "Office of Current Intelligence Publications," (An enclosure to OCI-2813) and listed 12 publications as well as special briefings" and "special reports." Subsequent to that date, OCI discontinued some publications and consolidated others during the Inspector General's survey. Nevertheless, at the time of the survey, the Inspector General identified 15 separate "publications" excluding "special briefings" and "special reports" as shown in the list attached as Tab B. This data was based on the "Distribution Report of OCI Publications", which showed the title, classification, frequency of publication and distribution. The DD/I fails to indicate which of the 15 "publications" are not "publications".

2. Recommendation

"It is recommended that material for briefings for the NSC and the White House Staff be authoritatively coordinated with other IAC Agencies in order that the Director may be apprised of divergence in views."

a. DD/I Comment

"Concur when time and circumstances permit..."

"The office has been responsible for coordinating and preparing well over 100 briefings for the NSC and questions even the one instance referred to of the DCI having been erroneously briefed."

b. Inspector General Refutation

(1) The DD/I concurrence does not answer the Inspector General's recommendation in that there is no indication as to why the DD/I feels it is infeasible to carry out the recommendation. Normally, White House and NSC

briefings are scheduled sufficiently far in advance to permit the coordination recommended by the Inspector General.

(2) The Director of Intelligence, Joint Chiefs of Staff informed a representative of the Inspector General that "he is concerned with occasional items appearing in Current Intelligence Bulletin which are of critical significance to defense elements on which CIA draws its conclusions without prior coordination with the appropriate military service." He cited one specific example which caused the Chairman of the JCS considerable embarrassment. The Director of Intelligence, USAF stated that there was a strong possibility of conflicting views and opinions inherent in the fact that the Agency did not always coordinate air matters with his personnel. Representatives of the State Department also complained of the lack of coordination.

4. Recommendation

"...that OCI discontinue its Situation Room briefings."

a. DD/I Comment

"The situation room briefing program was modified many months ago. It is believed to serve a useful purpose as presently designed."

b. Inspector General Refutation

(1) The survey team was aware that the Situation Room Briefing Program was modified "many months ago", and this recommendations applied to situation room briefings as they existed at the time of the survey.

(2) The DD/I's comment fails to present factual evidence to contradict the following finding of the IG which is based on interviews with members of OCI and ⁹ther components of the Agency.

"Attendance at the Situation Room briefings varies according to the subject matter, and periodic efforts are made to increase it. The preparation of these briefings

takes valuable time of the analysts away from more important activities. The time required for preparation and presentation of the Situation Room briefings is not worth the effort inasmuch as their present limited value of broadening the knowledge of working-level personnel can better be accomplished through reading the finished intelligence of the various IAC Agencies."

5. Recommendation

The Inspector General made seven recommendations on specific aspects of the organization of OCI. The DD/I stated merely "no comment at this time." There appears to be no sound reason for the DD/I to fail to indicate his concurrence or non-concurrence in these recommendation, except the one which is ^{largely} ~~partially~~ dependent upon discontinuance of the Watchpots.